

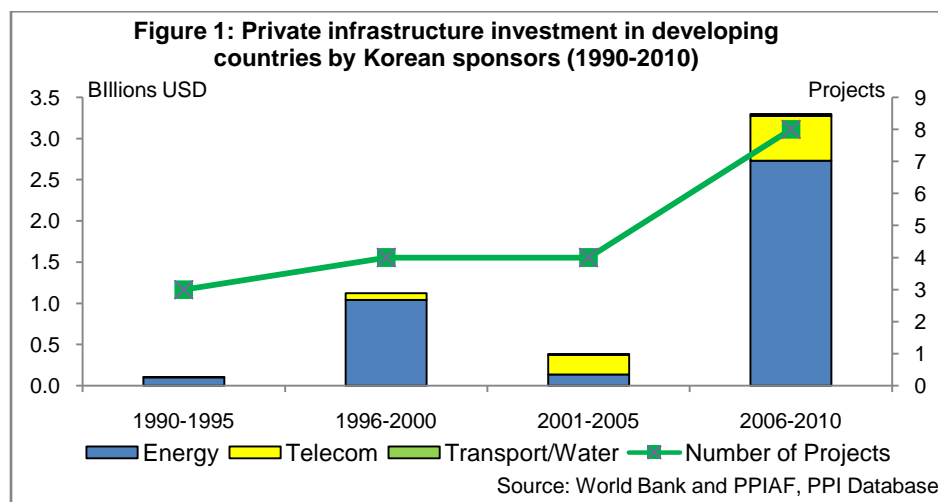
PRIVATE PARTICIPATION IN INFRASTRUCTURE DATABASE

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Infrastructure Investment in World Bank client countries by Korean sponsors

From 1990-2010, project sponsors from the Republic of Korea implemented nineteen infrastructure projects in low and middle income countries with investment commitments (hereafter *investment*) totaling US\$4.9 billion (Figure 1). Investment during all periods except 2001-2005 was dominated by the energy sector (US\$4 billion), followed by the telecom sector (US\$0.9 billion).



Private activity by sponsors from Korea has risen sharply in the last five year period (2006-2010), both in terms of numbers of projects (8) and investments (US\$3.3 billion). In fact, investment from 2006-2010 was larger than all previous periods, and accounted for 67% of total investment from 1990-2010. Four large electricity generation projects drove this increase in investment. In 2007, Korean companies participated in two divestitures of large scale power plants with investments of US\$965 million in China and Nigeria. Most recently, in 2010, two large greenfield power plants with investments of US\$1.2 billion closed financing in Philippines and Indonesia.

Although Korean investment was spread across five regions, it was heavily concentrated in East Asia and the Pacific (EAP) region with 78% of total investment (Figure 2). This investment lacked a single country focus. However, within EAP region, private activity was concentrated in China with three energy projects and one water project; Philippines with three energy projects and Mongolia with three telecom projects. Other destinations for Korean investment in EAP included Indonesia, Papua New Guinea and Vietnam.

Over seventeen different Korean sponsors participated in these investments. In most cases, Korean firms invested as part of a larger consortium, often with other Korean firms. The projects represented here had at least fifteen percent participation. Sponsors that appeared most often were: Korea Electric Power Company (KEPCO) Korea Telecom Corporation, and SK Telecom.

